

# DEPARTMENT OF DEFENSE TRAVEL CARD PROGRAM



Defense Finance and Accounting Service, Arlington

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DoD Travel Card Program Management Office

Commercial Pay Directorate

October 30, 2000 - November 2, 2000

# AGENDA

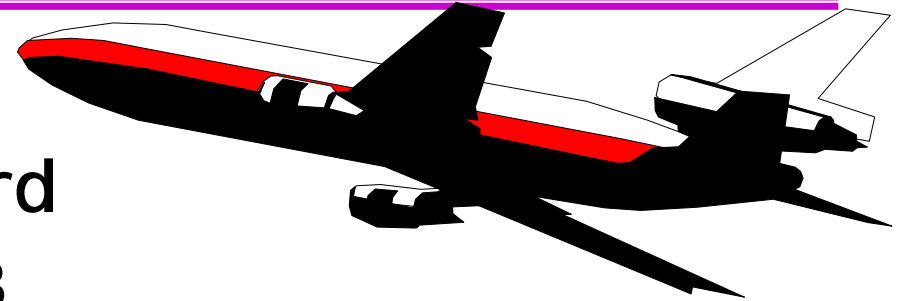
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- **DoD Travel Card Program**
  - Background
  - Rules
- **Risk Management**



# DoD Travel Card Program Background

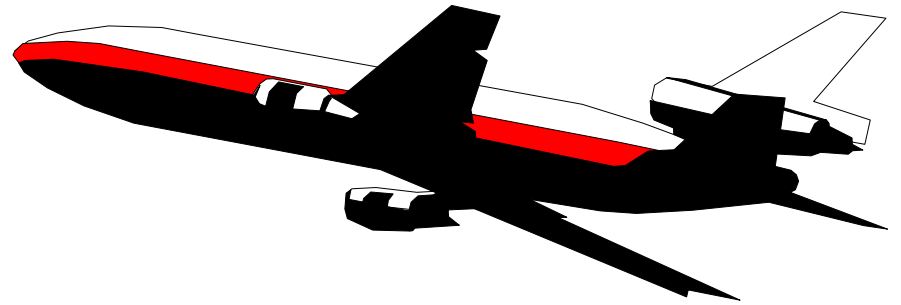
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- History of the Travel Card
  - GSA First Contract - 1983
  - Travel System Consists of:
    - Individually Billed Accounts with ATM
    - Centrally Billed Accounts
    - Travelers Checks
  - DoD Involvement and Adoption of the "Official Travel Card Program" - 1993
    - Increased amount of Plastic to 200,000 Individual Cards
  - By Year 2000:
    - 1.4M Individual Cards
    - Almost 5,000 Centrally Billed Accounts

# DoD Travel Card Program Background

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- Standard Travel Payment System
- What are the Rules?



# DoD Travel Card Program Background

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- Standard Travel Payment System
  - Issued to All Who Travel for DoD
  - Used for All Travel Related Expenses
- What are the Rules?
  - DoD FMR Volume 9, Chap. 3, Travel
  - Use the Card to Charge Travel Expenses
  - DoD ATM and Retail Limits are set to Allow CPMs Room to Manage With Specific Limits
  - Centrally Billed Accounts may be used for Transportation/Troop Movement through Commercial Travel Offices



# **Risk Management**

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**Risk Definition & Benefits**  
**DoD & Credit Checks**  
**Risk Management Cycle**

# Risk Definition & Benefits

- Definition: Cardholder charge and payment behavior that results in charges to the card that may/or may not be for official use; and the bill is unpaid
- Benefits:
  - More effective assignment of payment/card product types
  - Assists DoD and GSA Card Contractor in matching spending authority with financial responsibility
  - Assists DoD and GSA Card Contractor in solving problems before they happen
  - Allows GSA Card Contractor to effectively focus collection efforts on real problems

# DoD & Credit Checks

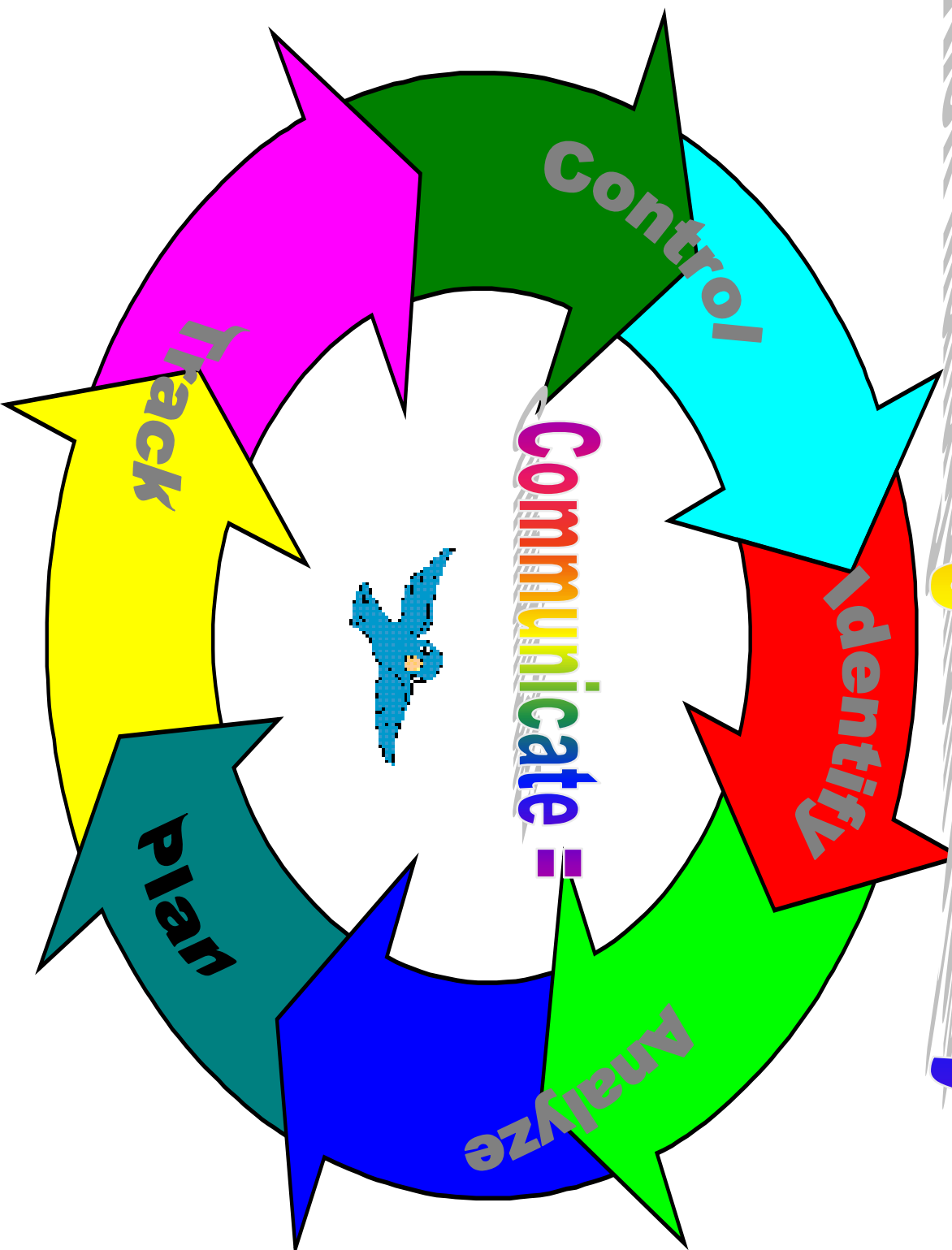
- Only Agency to Authorize
- Allow Credit Screening on Front End Application Processing of New Accounts
- GSA Card Contractor Makes Recommendation to APC
- Card Limits for Those Identified as High Risk

Standard Card = \$5,000

Restricted Card = \$2,500



# Risk Management Cycle





# IDENTIFY RISKS

**Credit Checks = Known Financial History**

**High Credit Limits = High Charge Volume**

**Banks/ATM Withdrawals = Easy CASH**

**Failure to Pay = Delinquency**

**Unlimited Merchant Access = Buying Power**

# ANALYZE = DATA

## GSA Card Contractor - Reports

## DoD Information

Account Listing



Personnel Data

Delinquency



Reimbursement  
History

Pre-Suspension,  
Suspension,

Pre-Cancellation,  
Cancellation

Transaction Activity



Travel History

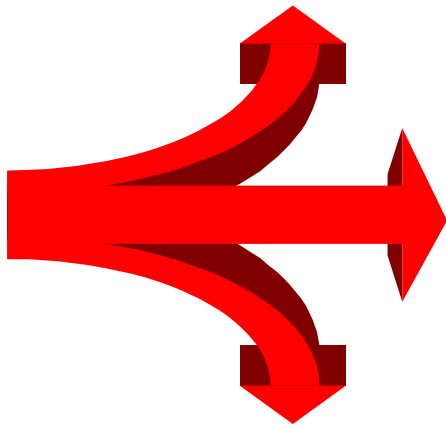


**PLAN**

**ACCEPTANCE**

**NON-  
ACCEPTANCE**

***DEVELOP***

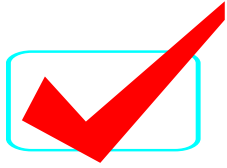


**PROCEDURES**

**POLICIES**

**REPORTS**

**CONSEQUENCES**

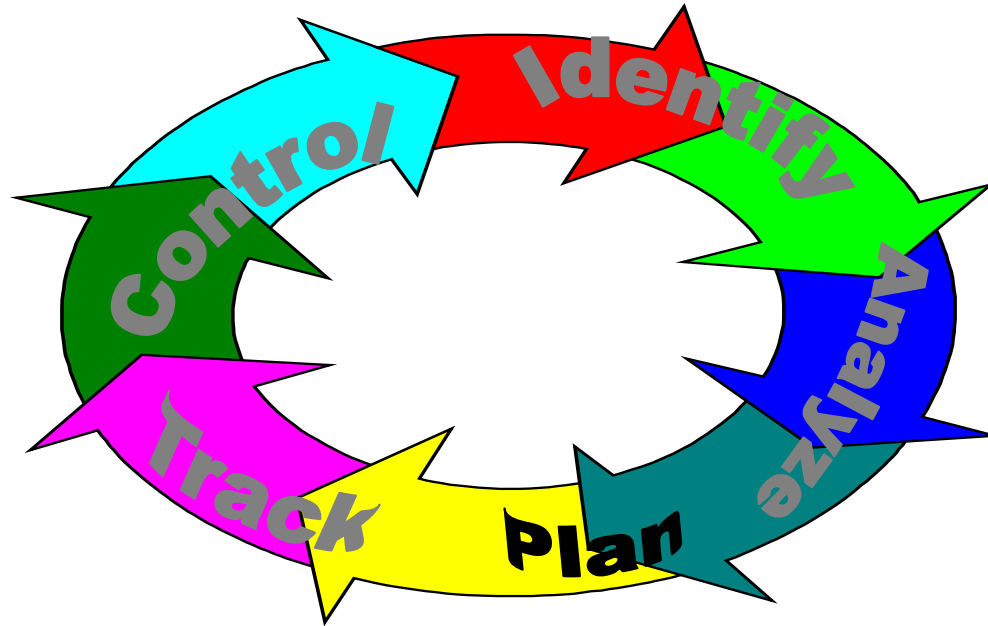


# TRACK

- Delinquency
- Cash Use
- Merchant Category Use



# CONTROL



Training for Agency Program Coordinators & Cardholders

**Communication is the Key!**

# PROCEDURES

**Delinquency**

**Retail**

**Extended TDY**



ESA Card  
Contractor  
Reports

# POLICIES

Use IBA for All Official Travel Expenses

DoD Statement of Understanding

Pay Promptly

EFT Mandatory

Split Disbursement Highly Encouraged

Minimize Use of Cash

Five Days to Reconcile and Submit  
Travel Voucher

# REPORTS

**Delinquency**

**Transaction Activity**

**Cash vs. Charge**

# CONSEQUENCES

APC to Supervisor Delinquency Notifications  
Counseling

Written Reprimand

Suspension of Card

Cancellation of Card

Reported to Credit Bureau

GSA Card Contractor Imposed Additional Fees

Inability to Perform Job

Court Martial/Dismissal

# Summary and Questions

- Over 20 Years of Program Use
- Standardized, Streamlined Travel Payment Vehicle in DoD
- Risk Management:
  - Benefits to Traveler, Department & GSA Card Contractor

HAPPY HALLOWEEN ;-)